

**Agenda Of The Regular Meeting – Oversight Board for the Successor Agency to the
Redevelopment Agency of the City of National City
Council Chambers
Civic Center
1243 National City Boulevard
National City, California
Wednesday – December 18, 2013 – 3:00 P.M.**

Open To The Public

Please complete a request to speak form prior to the commencement of the meeting and submit it to the Oversight Board Secretary.

It is the intention of your National City Oversight Board to be receptive to your concerns in this community. Your participation in local government will assure a responsible and efficient City of National City. We invite you to bring to the attention of the Board Chairman any matter that you desire the National City Oversight Board to consider. We thank you for your presence and wish you to know that we appreciate your involvement.

ROLL CALL

Pledge of Allegiance to the Flag by Chairman Ron Morrison

Public Oral Communications (Three-Minute Time Limit)

NOTE: Pursuant to state law, items requiring National City Oversight Board action must be brought back on a subsequent National City Oversight Board Agenda unless they are of a demonstrated emergency or urgent nature.

Upon request, this agenda can be made available in appropriate alternative formats to persons with a disability in compliance with the Americans with Disabilities Act. Please contact the City Clerk's Office at (619) 336-4228 to request a disability-related modification or accommodation. Notification 24-hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

**It is Requested That All Cell Phones
And Pagers Be Turned Off During The Meetings**

OVERSIGHT BOARD ACTIONS

1. Approval of the Minutes of the Special Meeting of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency meeting held on September 25, 2013.
2. Resolution of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency approving the Successor Agency's proposed approval of an "Assumption and Assignment of Agreement for Legal Services related to the "Agreement for Legal Services by and between the Successor Agency to the Community Development Commission as the National City Redevelopment Agency and Cummins & White, LLP", dated June 19, 2012 and Approved by Resolution 2012-10. (Reso No. 2013-10)
3. Resolution of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency approving the Second Amendment to the agreement for legal services between the Successor Agency, Community Development Commission – Housing Authority of the City of National City, and Kane Ballmer & Berkman pertaining to Redevelopment and Housing Authority Matters to increase the not to exceed amount by \$43,000 for a total amount of \$93,000. (Reso No. 2013-11)

REPORTS

4. Update on Redevelopment Issues

ADJOURNMENT

Adjourn to the next regular meeting of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency scheduled on January 15, 2013 at 3:00 p.m. in Council Chambers, Civic Center.

**MINUTES OF THE SPECIAL MEETING OF THE OVERSIGHT BOARD TO THE
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF
THE CITY OF NATIONAL CITY**

SEPTEMBER 25, 2013

This Special Meeting of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency was called to order at 3:01 pm by Chairman Ron Morrison.

ROLL CALL

Board Members Present: Fellows, Carson, Desrochers, Morrison, Hentschke

Board Members Absent: Donaldson, Perri

PLEDGE OF ALLEGIANCE by Chairman Ron Morrison

Member Perri arrived at 3:01 after the Pledge of Allegiance

PRESENTATIONS: None

OVERSIGHT BOARD ACTIONS

1. **SUBJECT:** Approval of the Minutes of the Special Meeting of the Oversight Board to the Successor Agency to the Redevelopment Agency of the City of National City Meeting held on September 25, 2013.

RECOMMENDATION: Approve the minutes as presented.

ACTION: Motion by Desrochers, seconded by Carson to approve the minutes of the Special Meeting of the Oversight Board meeting held September 25, 2013. Motion carried by the following vote:

Ayes: Fellows, Carson, Desrochers, Morrison, Perri, Hentschke

Absent: Donaldson

2. **SUBJECT:** Resolution of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency approving the Fourth Amendment to the Agreement for Legal Defense Services between the City, the Successor Agency to the Community Development Commission as the National City Redevelopment Agency, and Best Best & Kreiger, LLP, to increase the not to exceed amount by \$53,500, for a total amount of \$462,500.

RECOMMENDATION: Approve the Resolution. **(Resolution 2013-07)**

ACTION: Motioned by Carson, seconded by Hentschke to approve the resolution. Motion carried by the following vote:

Ayes: Fellows, Carson, Desrochers, Morrison, Perri, Hentschke

Absent: Donaldson

3. **SUBJECT:** Resolution of the Oversight Board of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency approving the Successor Agency's Recognized Obligation Payment Schedule for the period January 1, 2014 through June 30, 2014 (ROPS 13-14B). (Reso No. 2013-08)

RECOMMENDATION: Approve the Resolution. (**Resolution 2013-08**)

ACTION: Motioned by Carson, seconded by Perri to approve the resolution. Motion carried by the following vote: Ayes: Fellows, Carson, Desrochers, Morrison, Perri, Hentschke
Absent: Donaldson

4. **SUBJECT:** Resolution of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency approving and ratifying the transfer of the housing functions, assets and obligations from the Successor Agency to the Community Development Commission of the City of National City to the Housing Authority of the City of National City.

RECOMMENDATION: Approve the Resolution. (**Resolution 2013-09**)

ACTION: Motioned by Hentschke, seconded by Fellows to approve the resolution. Motion carried by the following vote: Ayes: Fellows, Carson, Desrochers, Morrison, Perri, Hentschke
Absent: Donaldson

Note for the record: Chairman Morrison left the meeting at 3:15 pm. Vice Chair Desrochers concluded the meeting.

REPORTS

5. **SUBJECT:** Update on Redevelopment
Brief update on AB981 and SB1 given by Brad Raulston, Executive Director
Update on pending litigations given by Claudia Silva, Successor Agency Counsel

ADJOURNMENT

The meeting was adjourned to the next Regular Meeting of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency to be held on October 16, 2013 at 3:00 p.m., Council Chambers – National City Civic Center, California.

RECOMMENDATION: Adjourn the meeting.

ACTION: Motion by Carson, seconded by Hentschke to adjourn. Motion carried by the following vote:
Ayes: Fellows, Carson, Desrochers, Morrison, Perri, Hentschke
Absent: Donaldson

The meeting adjourned at 3:19 p.m.

Clerk

Secretary

The foregoing minutes were approved at the Regular Meeting of December 18, 2013.

Oversight Board Chairman

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO
THE COMMUNITY DEVELOPMENT COMMISSION
AS THE NATIONAL CITY REDEVELOPMENT AGENCY
AGENDA STATEMENT**

MEETING DATE: December 18, 2013

AGENDA ITEM NO. 2

ITEM TITLE: Resolution of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency approving the Successor Agency's proposed approval of an "Assignment and Assumption of Agreement for Legal Services related to the "Agreement for Legal Services by and between the Successor Agency to the Community Development Commission as the National City Redevelopment Agency and Cummins & White, LLP", dated June 19, 2012 and Approved by Resolution 2012-10.

PREPARED BY: Brad Raulston

DEPARTMENT: Redevelopment

PHONE: Ext. 4256

APPROVED BY: 

EXPLANATION:

Please see attached.

FINANCIAL STATEMENT:

APPROVED: _____ **Finance**

ACCOUNT NO.

APPROVED: _____ **MIS**

Funds are budgeted in Account 711-409-000-209-0000

ENVIRONMENTAL REVIEW:

N/A

ORDINANCE: ☐ **INTRODUCTION:** ☐ **FINAL ADOPTION:** ☐

STAFF RECOMMENDATION:

BOARD / COMMISSION RECOMMENDATION:

Adopt the Resolution

ATTACHMENTS:

1. Draft Assignment and Assumption of Agreement
2. Proposed OB Resolution 2013-10

ASSIGNMENT AND ASSUMPTION OF AGREEMENT FOR LEGAL SERVICES

This Assignment and Assumption of Agreement for Legal Services ("Assignment") is made and entered into this 20th day of November, 2013, between and among THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY, a California public body, corporate and politic organized under the laws of the State of California ("SA"), THE LAW OFFICES OF EDWARD Z. KOTKIN, a California professional law corporation (alternately the "New Firm" and the "Assignee"), and CUMMINS & WHITE, LLP, a California limited liability partnership (alternately the "Original Firm" and the "Assignor"). The SA, the New Firm and the Original Firm are sometimes individually referenced as a "Party," and sometimes collectively referenced below as the "Parties." This Assignment is made with reference to the following background facts and circumstances:

RECITALS

A. On June 19, 2012, the SA and the Original Firm entered into that certain "AGREEMENT FOR LEGAL SERVICES BY AND BETWEEN THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY AND CUMMINS & WHITE, LLP" ("Agreement"), said Agreement being duly executed by the SA's executive director, approved as to form by the SA's legal counsel, and now maintained as a public record by the secretary of the SA.

B. Under the Agreement, the Original Firm provided professional services as legal counsel to the "Oversight Board" created by statute to oversee the affairs of the SA ("NC Oversight Board").

C. On February 26, 2013, the Chair of the NC Oversight Board, the Honorable Ronald Morrison, executed that certain "Addition of Key Personnel Under the Agreement for Legal Services and Consent" ("Consent"), said Consent approving the addition of the New Firm's principal, Edward Z. Kotkin ("Kotkin"), as "key personnel" of the Original Firm under section 3.4 of the Agreement. The Consent allowed Kotkin, in his capacity as an attorney associated with the Original Firm as "of counsel," to serve as legal counsel to the NC Oversight Board.

D. As of the date of this Assignment's preparation, with adequate advance notice to and without objection by the SA and the NC Oversight Board, the Original Firm has elected to discontinue the provision of legal services under the Agreement ("Original Firm Election").

E. The SA's staff and legal counsel have considered the prospect of securing competent legal services to replace those provided by the Original Firm, requested that Kotkin do so pending consideration by the SA and NC Oversight Board of this Assignment, and

Assignment and Assumption of
Agreement for Legal Services

Page 1 of 4

2013 Legal Services Agreement

City of National City and
The Law Offices of Edward Z. Kotkin

recommended to the SA and the NC Oversight Board that this Assignment be approved, and that the New Firm appointed as legal counsel to the NC Oversight Board under terms and conditions identical to those set forth in the Agreement except as set forth herein.

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ASSIGNMENT

1. **Assignment and Assumption.** In conformance with all terms and conditions of the Agreement, with the exception of new terms and conditions memorialized herein, Assignor hereby assigns, transfers and conveys to Assignee all of Assignor's rights and obligations under the Agreement. Assignee hereby accepts such assignment, and hereby expressly and unconditionally assumes all of the duties and obligations of Assignor under the Agreement.
2. **Consent to Assignment of Obligations.** SA hereby consents to this Assignment and agrees to accept performance of Assignor's duties and obligations set forth in the Agreement by Assignee.
3. **All Provisions Contractual and Binding.** The Parties understand and agree that all terms and provisions of this Assignment, including the true and correct Recitals above, are contractual and binding upon the Parties.
4. **Counterparts.** This Assignment may be executed in one or more counterparts, each of which will be deemed an original, but all of which constitute one and the same instrument.
5. **Effective Date.** This Assignment shall be effective and binding by and between the Parties retroactive to August 1, 2013, the date when Kotkin assumed the responsibility of serving as the NC Oversight Board's legal counsel after the Original Firm Election.
6. **Further Cooperation.** The Parties herein agree to execute any and all agreements, documents or instruments as may be reasonably necessary in order to fully effectuate the agreements and covenants of the Parties contained in this Assignment, or to evidence this Assignment as a matter of public record, if required to fulfill the purposes of this Assignment. The Parties further agree to mutually cooperate with one another in carrying out the purposes of this Assignment.

7. **New Terms and Conditions.** Terms and conditions of the Agreement shall be null and void, and shall be superseded by the terms and conditions of this Assignment in accord with the following table.

Section of Agreement	Term/Condition of the Agreement	Term of the Assignment
Article 3, Section 3.4	References to Michael Houston, James Wakefield and Bethelwel Wilson	Edward Z. Kotkin substituted for Michael Houston, Tamara McCrossen-Orr, "of counsel" attorney for New Firm, substituted for James Wakefield and Bethelwel Wilson
Article 3, Section 3.7	Reference to Michael Houston	Edward Z. Kotkin substituted for Michael Houston
Article 4, Section I	Every legal matter shall have a paralegal assigned.	Additional provision: The SA understands and agrees that the Firm (the New Firm) does not employ any certified paralegal, but will engage the services of a certified paralegal to work on any legal matter upon SA direction.
Article 11, Section C	Errors and omissions insurance in an amount not less than two million dollars (\$2,000,000.00) per claim	Errors and omissions insurance in an amount not less than one million dollars (\$1,000,000.00) per claim
Article 14	This Agreement shall be effective upon execution by the Firm and SA and continue through December 31, 2012.	This Agreement shall be effective upon execution by Cummins & White, LLP, the SA, and The Law Offices of Edward Z. Kotkin of that certain "ASSIGNMENT AND ASSUMPTION OF AGREEMENT FOR LEGAL SERVICES" and continue through the completion by the NC Oversight Board of its statutory function.
Article 16	Notice Provision	Notices to Cummins & White, LLP shall be addressed to the attention of Fred M. Whitaker; Notices to The Law Offices of Edward Z. Kotkin, addressed to The Law Offices of Edward Z. Kotkin 1851 East First Street, Suite 900 Santa Ana, CA 92705-4066 Attn: Edward Z. Kotkin
Exhibit "A"	General representation of the NC Oversight Board on matters relating to the NC Oversight Board's activity under ABx1 26.	General representation of the NC Oversight Board on matters relating to the NC Oversight Board's activity under ABx1 26 and AB 1484.

IN WITNESS WHEREOF, the undersigned have executed this Assignment and Assumption of Agreement for Legal Services as of the date and year first above written.

**SUCCESSOR AGENCY TO THE
COMMUNITY DEVELOPMENT
COMMISSION OF THE CITY OF
NATIONAL CITY**

By: 
Brad Raulston, Executive Director

**THE LAW OFFICES OF
EDWARD Z. KOTKIN (ASSIGNEE)**

By: 
Edward Z. Kotkin, Principal

APPROVED AS TO FORM:

By: 
Claudia Gacitua Silva,
Successor Agency Legal Counsel

CUMMINS & WHITE, LLP (ASSIGNOR)

By: _____
Fred M. Whitaker, Managing Partner

IN WITNESS WHEREOF, the undersigned have executed this Assignment and Assumption of Agreement for Legal Services as of the date and year first above written.

**SUCCESSOR AGENCY TO THE
COMMUNITY DEVELOPMENT
COMMISSION OF THE CITY OF
NATIONAL CITY**

**THE LAW OFFICES OF
EDWARD Z. KOTKIN (ASSIGNEE)**

By: _____
Brad Raulston, Executive Director

By: _____
Edward Z. Kotkin, Principal

APPROVED AS TO FORM:

CUMMINS & WHITE, LLP (ASSIGNOR)

By: _____
Claudia Gacitua Silva,
Successor Agency Legal Counsel

By: Fred M. Whitaker, P.C.
Fred M. Whitaker, Managing Partner

Request for Taxpayer Identification Number and Certification

Give Form to the
requester. Do not
send to the IRS.

Print or type
See Specific Instructions on page 2.

Name (as shown on your income tax return)

The Law Offices of Edward Z. Kotkin, A Professional Law Corporation

Business name/disregarded entity name, if different from above

Check appropriate box for federal tax classification:

☐ Individual/sole proprietor ☐ C Corporation ☒ S Corporation ☐ Partnership ☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) > _____

☐ Other (see instructions) > _____

Exemptions (see instructions):

Exempt payee code (if any) _____

Exemption from FATCA reporting
code (if any) _____

Address (number, street, and apt. or suite no.)

1851 East First Street, Suite 900

City, state, and ZIP code

Santa Ana, CA 92705

List account number(s) here (optional)

Requester's name and address (optional)

**City of National City
1243 National City Boulevard
National City, CA 91950**

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number

____ - ____ - ____

Employer identification number

4 5 - 2 8 5 0 0 4 9

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below), and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign
Here

Signature of
U.S. person >

Date >

10/22/13

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. The IRS has created a page on IRS.gov for information about Form W-9, at www.irs.gov/w9. Information about any future developments affecting Form W-9 (such as legislation enacted after we release it) will be posted on that page.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, payments made to you in settlement of payment card and third party network transactions, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the

withholding tax on foreign partners' share of effectively connected income, and

4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct.

Note. If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.



CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)
10/30/13

PRODUCER

Marsh / Seabury & Smith
Insurance Program Management
345 California Street
San Francisco, CA 94104

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THEIR CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER **A Arch Insurance Company**COMPANY LETTER **B**COMPANY LETTER **C**COMPANY LETTER **D**COMPANY LETTER **E**

INSURED

The Law Offices of Edward Z. Kotkin, APC
1851 East First Street, Suite 900
Santa Ana, CA 92705

COVERAGES

THIS IS TO CERTIFY THAT POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS, AND CONDITIONS OF SUCH POLICIES.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	ALL LIMITS IN THOUSANDS	
	GENERAL LIABILITY				GENERAL AGGREGATE	
	<input type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMPWORKS AGGREGATE	
	<input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCURRENCE				PERSONAL & ADVERTISING INJURY	
	<input type="checkbox"/> OWNER'S & CONTRACTORS PROTECTIVE				EACH OCCURRENCE	
					FIRE DAMAGE (ANY ONE FIRE)	
					MEDICAL EXPENSE (ANY ONE PERSON)	
	AUTOMOBILE LIABILITY				CSL	
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (PER PERSON)	
	<input type="checkbox"/> ALL OWNED AUTOS				\$	
	<input type="checkbox"/> SCHEDULED AUTOS				BODILY INJURY (PER ACCIDENT)	
	<input type="checkbox"/> HIRED AUTOS				\$	
	<input type="checkbox"/> NON-OWNED AUTOS				PROPERTY DAMAGE	
	<input type="checkbox"/> GARAGE LIABILITY				\$	
	EXCESS LIABILITY				EACH OCCURRENCE	
	<input type="checkbox"/>				\$	
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				AGGREGATE	
					\$	
	WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY	
					\$ (EACH ACCIDENT)	
					\$ (DISEASE-POLICY LIMIT)	
					\$ (DISEASE-EACH EMPLOYEE)	
A	OTHER Lawyers Professional Liability	11LPL7350702	6/20/13	6/20/14	LIMITS: \$ \$1,000,000 Per Claim/\$1,000,000 Aggregate	

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/RESTRICTIONS/SPECIAL ITEMS

Law Firm

CERTIFICATE HOLDER

City of National City
c/o Risk Manager
140 East 12th Street, Suite A
National City, CA 91950-4301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE



Printed by RAM on November 01, 2013 at 09:25AM

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PROVISIONS:

1. **WHO IS AN INSURED (SECTION II)** is amended to include as an insured any person or organization (called hereafter "additional insured") whom you have agreed in a written contract, executed prior to loss, to name as additional insured, but only with respect to liability arising out of "your work" or your ongoing operations for that additional insured performed by you or for you.
 2. With respect to the insurance afforded to Additional Insureds the following conditions apply:
 - a. **Limits of Insurance** – The following limits of liability apply:
 1. The limits which you agreed to provide; or
 2. The limits shown on the declarations, whichever is less.
 - b. This insurance is excess over any valid and collectible insurance unless you have agreed
- In a written contract for this insurance to apply on a primary or contributory basis.
3. This insurance does not apply:
 - a. on any basis to any person or organization for whom you have purchased an Owners and Contractors Protective policy.
 - b. to "bodily injury," "property damage," "personal injury," or "advertising injury" arising out of the rendering of or the failure to render any professional services by or for you, including:
 1. The preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; and
 2. Supervisory, inspection or engineering services.

POLICY NUMBER: I-680-3A215558-ACJ-13

COMMERCIAL GENERAL LIABILITY
ISSUE DATE: 11-01-13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED-DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of person or organization:

CITY OF NATIONAL CITY
C/O RISK MANAGER

140 EAST 12TH ST. STE: A

NATIONAL CITY CA 91950-4301

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule as an insured but only with respect to liability arising out of your acts or omissions.



P.O. BOX 8192, PLEASANTON, CA 94588

CERTIFICATE OF WORKERS' COMPENSATION INSURANCE

ISSUE DATE: 10-24-2013

GROUP:
POLICY NUMBER: 9051489-2013
CERTIFICATE ID: 4
CERTIFICATE EXPIRES: 04-03-2014
04-03-2013/04-03-2014

CITY OF NATIONAL CITY
RISK MANAGER
140 E 12TH ST STE A
NATIONAL CITY CA 91950-3323

SP

This is to certify that we have issued a valid Workers' Compensation insurance policy in a form approved by the California Insurance Commissioner to the employer named below for the policy period indicated.

This policy is not subject to cancellation by the Fund except upon 30 days advance written notice to the employer.

We will also give you 30 days advance notice should this policy be cancelled prior to its normal expiration.

This certificate of insurance is not an insurance policy and does not amend, extend or alter the coverage afforded by the policy listed herein. Notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate of insurance may be issued or to which it may pertain, the insurance afforded by the policy described herein is subject to all the terms, exclusions, and conditions, of such policy.

A handwritten signature in black ink, appearing to read "Kurt R. Va. Lauf".

Authorized Representative

A handwritten signature in black ink, appearing to read "Thomas E. Kane".

President and CEO

EMPLOYER'S LIABILITY LIMIT INCLUDING DEFENSE COSTS: \$1,000,000 PER OCCURRENCE.

ENDORSEMENT #1600 - KOTKIN, EDWARD P, S T - EXCLUDED.

ENDORSEMENT #2085 ENTITLED CERTIFICATE HOLDERS' NOTICE EFFECTIVE 08-28-2013 IS
ATTACHED TO AND FORMS A PART OF THIS POLICY.

EMPLOYER

THE LAW OFFICES OF EDWARD Z. KOTKIN, AND (A
PROFESSIONAL CORPORATION)
1851 E 1ST ST STE 900
SANTA ANA CA 92705

[ALL,CS]



P.O. BOX 8192, PLEASANTON, CA 94588

CERTIFICATE OF WORKERS' COMPENSATION INSURANCE

ISSUE DATE: 10-24-2013

GROUP:
POLICY NUMBER: 9051489-2013
CERTIFICATE ID: 4
CERTIFICATE EXPIRES: 04-03-2014
04-03-2013/04-03-2014

CITY OF NATIONAL CITY
RISK MANAGER
140 E 12TH ST STE A
NATIONAL CITY CA 91950-3323

SP

This is to certify that we have issued a valid Workers' Compensation insurance policy in a form approved by the California Insurance Commissioner to the employer named below for the policy period indicated.

This policy is not subject to cancellation by the Fund except upon 30 days advance written notice to the employer.

We will also give you 30 days advance notice should this policy be cancelled prior to its normal expiration.

This certificate of insurance is not an insurance policy and does not amend, extend or alter the coverage afforded by the policy listed herein. Notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate of insurance may be issued or to which it may pertain, the insurance afforded by the policy described herein is subject to all the terms, exclusions, and conditions, of such policy.

A handwritten signature in black ink, appearing to read "Kurt R. LaFollette".

Authorized Representative

A handwritten signature in black ink, appearing to read "Thomas E. Rone".

President and CEO

EMPLOYER'S LIABILITY LIMIT INCLUDING DEFENSE COSTS: \$1,000,000 PER OCCURRENCE.

ENDORSEMENT #1800 - KOTKIN, EDWARD P, S T - EXCLUDED.

ENDORSEMENT #2065 ENTITLED CERTIFICATE HOLDERS' NOTICE EFFECTIVE 08-28-2013 IS ATTACHED TO AND FORMS A PART OF THIS POLICY.

EMPLOYER

THE LAW OFFICES OF EDWARD Z. KOTKIN, AND (A
PROFESSIONAL CORPORATION)
1851 E 1ST ST STE 900
SANTA ANA CA 92705

[ALL,CS]

RESOLUTION NO. 2013 – 10

RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY
TO THE COMMUNITY DEVELOPMENT COMMISSION AS
THE NATIONAL CITY REDEVELOPMENT AGENCY APPROVING
THE SUCCESSOR AGENCY'S PROPOSED APPROVAL OF AN
"ASSIGNMENT AND ASSUMPTION OF AGREEMENT FOR LEGAL SERVICES"
WITH THE LAW OFFICES OF EDWARD Z. KOTKIN
RELATED TO THE "AGREEMENT FOR LEGAL SERVICES BY AND BETWEEN THE
SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT COMMISSION AS THE
NATIONAL CITY REDEVELOPMENT AGENCY AND CUMMINS & WHITE, LLP",
DATED JUNE 19, 2012 AND APPROVED BY RESOLUTION 2012-10

WHEREAS, On June 19, 2012, the Successor Agency to the Community Development Commission as the National City Redevelopment Agency ("Successor Agency") and the law firm of Cummins & White, LLP, entered into that certain "Agreement for Legal Services By and Between the Successor Agency to the Community Development Commission as the National City Redevelopment Agency and Cummins & White, LLP" ("Agreement"); and

WHEREAS, under the Agreement, Cummins & White, LLP provided professional services as legal counsel to the Oversight Board, existing and functioning pursuant to California Health and Safety Code Section 34179 and other applicable law to oversee the affairs of the Successor Agency (OB oversees SA); and

WHEREAS, on February 26, 2013, the Chairman of the Oversight Board, under authority provided by the Agreement, executed that certain "Addition of Key Personnel Under the Agreement for Legal Services and Consent" ("Consent"), said Consent approving the addition of Edward Z. Kotkin ("Kotkin"), as "key personnel" of Cummins & White, LLP, and allowing Kotkin, in his capacity as an attorney associated with Cummins & White, LLP as "of counsel," to serve as legal counsel to the Oversight Board; and

WHEREAS, with adequate advance notice to and without objection by the Successor Agency and the Oversight Board, Cummins & White, LLP has elected to discontinue the provision of legal services under the Agreement; and

WHEREAS, the Successor Agency's staff and legal counsel have considered the prospect of securing competent legal services to replace those provided by Cummins & White, LLP, and requested that Kotkin do so pending consideration by the Successor Agency and Oversight Board of the Assignment approved by this Resolution ("assignment"), and recommended to the Successor Agency and the Oversight Board that this Assignment be approved, and that The Law Offices of Edward Z. Kotkin be appointed as legal counsel to the Oversight Board under terms and conditions nearly identical to those set forth in the Agreement with Cummins & White, LLP; and

WHEREAS, all actions of this Oversight Board reflected in this Resolution are in accord with California Health and Safety Code Section 34179, subdivision (n); and

WHEREAS, on December 18, 2013, in the course of taking action on a properly agendized item at a regularly scheduled meeting, the Oversight Board considered the approval, of the proposed Successor Agency approval of the Assignment, and upon *(i)* further consideration of all information and documentation presented by staff, *(ii)* all public comment and Oversight Board deliberation, if any, and *(iii)* the recommendation of the Successor Agency staff and legal counsel, did independently find and determine that this Resolution should be approved.

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency hereby approves the Successor Agency's proposed approval of an "Assignment and Assumption of Agreement for Legal Services" related to the "Agreement for Legal Services By and Between the Successor Agency to the Community Development Commission as the National City Redevelopment Agency and Cummins & White, LLP" ("Agreement"), said Agreement being dated June 19, 2012, and having been approved by Resolution 2012-10, and said assignment being attached to and incorporated by this reference in this Resolution as **Exhibit A**; and

BE IT FURTHER RESOLVED that pursuant to this Resolution, The Law Offices of Edward Z. Kotkin shall serve as legal counsel to the Oversight Board in accord with the terms and conditions of the Agreement and **Exhibit A** hereto; and

BE IT FURTHER RESOLVED that the Oversight Board makes this approval and based upon the true and correct recitals above, each of which it hereby incorporates into this Resolution by this reference; and

BE IT FURTHER RESOLVED that notice of this Resolution shall be transmitted to the California Department of Finance by electronic means, and shall take effect at the time provided in California Health and Safety Code Section 34179, subdivision (h); and

BE IT FURTHER RESOLVED that the Oversight Board Secretary and/or Successor Agency Secretary shall certify to the adoption of this Resolution.

The foregoing resolution was duly and regularly PASSED and ADOPTED at a regular meeting of the Oversight Board of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency on this 18th day of December, 2013, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Ron Morrison, Chairman

ATTEST:

Brad Raulston, Executive Director
Secretary to the Oversight Board

APPROVED AS TO FORM:

Fred Whitaker, P.C.
Cummins & White, LLP
Oversight Board Counsel

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO
THE COMMUNITY DEVELOPMENT COMMISSION
AS THE NATIONAL CITY REDEVELOPMENT AGENCY
AGENDA STATEMENT**

MEETING DATE: December 18, 2013

AGENDA ITEM NO. 3

ITEM TITLE:

Resolution of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency approving the Second Amendment to the agreement for legal services between the Successor Agency, Community Development Commission – Housing Authority of the City of National City, and Kane Ballmer & Berkman pertaining to Redevelopment and Housing Authority Matters to increase the not to exceed amount by \$43,000 for a total amount of \$93,000.

PREPARED BY: Brad Raulston

DEPARTMENT: Successor Agency

PHONE: Ext. 4256

APPROVED BY: 

EXPLANATION:

The Successor Agency, the CDC-HA, and the Kane Ballmer & Berkman (the "Parties") entered into an Agreement for legal services on February 1, 2011, (the "Agreement") wherein Kane Ballmer & Berkman agreed to provide as-needed professional legal services pertaining to redevelopment and housing authority matters subject to the terms and conditions of the Agreement.

The First Amendment to the Agreement entered into on July 3, 2012, increased the not to exceed amount of compensation payable to Kane Ballmer & Berkman by an additional \$25,000, for a total not to exceed amount of \$50,000.

The Parties desire to amend the Agreement to increase the not-to-exceed amount of the Agreement by \$43,000, for a total not-to-exceed amount of \$93,000, as legal services continue to be needed.

The services related to matters of the Successor Agency and/or the former National City Redevelopment Agency/CDC-RDA under this Second Amendment are included on the Recognized Obligation Payment Schedule. This Amendment will require the approval of the Oversight Board to the Successor Agency, as well as the State Department of Finance, prior to being effective.

Upon approval, this Resolution shall be transmitted to the California Department of Finance, State Auditor/Controller and County of San Diego by electronic means, and shall take effect at the time provided in California Health and Safety Code section 34179, subdivision (h).

FINANCIAL STATEMENT:

APPROVED: _____ **Finance**

ACCOUNT NO.

APPROVED: _____ **MIS**

N/A

ENVIRONMENTAL REVIEW:

N/A

ORDINANCE: INTRODUCTION: ☐

FINAL ADOPTION: ☐

STAFF RECOMMENDATION:

N/A

BOARD / COMMISSION RECOMMENDATION:

Adopt Resolution

ATTACHMENTS:

1. Kane Ballmer & Berkman Agreement
2. Successor Agency Resolution 2013-41

3. Proposed OB Resolution 2013-11

**SECOND AMENDMENT TO AGREEMENT FOR LEGAL SERVICES
BY AND BETWEEN
SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION
AS THE NATIONAL CITY REDEVELOPMENT AGENCY,
THE COMMUNITY DEVELOPMENT COMMISSION OF
THE CITY OF NATIONAL CITY ACTING IN ITS CAPACITY AS
THE HOUSING AUTHORITY OF THE CITY OF NATIONAL CITY,
AND KANE, BALLMER & BERKMAN**

This SECOND AMENDMENT TO AGREEMENT FOR LEGAL SERVICES (the "Second Amendment") is entered into this 19th day of November, 2013, by and between THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY, a public entity, duly created, validly existing and in good standing under the laws of the State of California (the "SUCCESSOR AGENCY") (as the successor in interest to the Community Development Commission of the City of National City, acting in its capacity as the National City Redevelopment Agency (the "CDC-RDA")); THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF NATIONAL CITY ACTING IN ITS CAPACITY AS THE HOUSING AUTHORITY OF THE CITY OF NATIONAL CITY, a public body, corporate and politic (the "CDC-HA"); and KANE, BALLMER & BERKMAN, a law corporation, (the "FIRM").

RECITALS

- A. The SUCCESSOR AGENCY, the CDC-HA, and the FIRM (the "Parties") entered into an Agreement for legal services on February 1, 2011, (the "Agreement") wherein the FIRM agreed to provide as-needed professional legal services pertaining to redevelopment and housing authority matters subject to the terms and conditions of the Agreement.
- B. The First Amendment to the Agreement entered into on July 3, 2012, increased the not to exceed amount of compensation payable to the FIRM as stated in Article 3, Section C of the Agreement by an additional \$25,000, for a total not to exceed amount of \$50,000.
- C. The Parties desire to amend the Agreement to increase the not-to-exceed amount of the Agreement by \$43,000, for a total not-to-exceed amount of \$93,000.
- D. On January 10, 2012, the City Council of the City of National City adopted Resolution No. 2012-15, pursuant to Part 1.85 of Division 24 of the California Health and Safety Code, electing for the City to serve as the successor agency to the CDC-RDA upon the dissolution of the National City Redevelopment Agency and the CDC-RDA.
- E. On February 1, 2012, all California redevelopment agencies and all redevelopment agency components of community development agencies were dissolved, successor agencies were established as successor agencies to the former redevelopment agencies pursuant to Health and Safety Code Section 34173, and successor agencies are tasked with paying, performing, and enforcing the enforceable obligations of the former redevelopment agencies.
- F. The services related to matters of the SUCCESSOR AGENCY and/or the former National City Redevelopment Agency/CDC-RDA under this Second Amendment will be included on the SUCCESSOR AGENCY'S Recognized Obligation Payment Schedule and the

Recognized Obligation Payment Schedule will require the approval of the Oversight Board to the Successor Agency prior to being effective.

NOW, THEREFORE, the SUCCESSOR AGENCY, the CDC-HA, and the FIRM hereto agree that the Agreement entered into on February 1, 2011, as amended by the First Amendment, is hereby further amended by this Second Amendment by amending Article 3 (Compensation), Section C of the Agreement and increasing the not-to-exceed amount by \$43,000, for a total not-to-exceed amount of \$93,000.

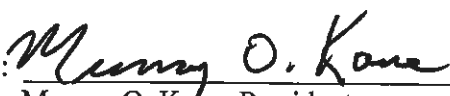
The parties further agree that with the foregoing exception, each and every term and provision of the Agreement dated February 1, 2011, shall remain in full force and effect.


IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment to the Agreement on the date and year first above written.

**SUCCESSOR AGENCY TO THE
COMMUNITY DEVELOPMENT
COMMISSION AS THE NATIONAL CITY
REDEVELOPMENT AGENCY**

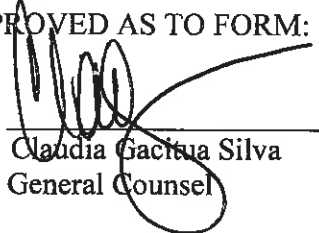
By: 
Ron Morrison
Chairman

KANE BALLMER & BERKMAN

By: 
Murray O. Kane, President

By: 
Kendall D. Berkey, Officer

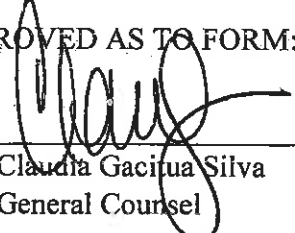
APPROVED AS TO FORM:

By: 
Claudia Gacitua Silva
General Counsel

**THE COMMUNITY DEVELOPMENT
COMMISSION OF THE CITY OF NATIONAL
CITY ACTING IN ITS CAPACITY AS THE
HOUSING AUTHORITY OF THE CITY OF
NATIONAL CITY**

By: 
Ron Morrison
Chairman

APPROVED AS TO FORM:

By: 
Claudia Gacitua Silva
General Counsel

RESOLUTION NO. 2013 – 41

RESOLUTION OF THE SUCCESSOR AGENCY
TO THE COMMUNITY DEVELOPMENT COMMISSION
AS THE NATIONAL CITY REDEVELOPMENT AGENCY
("SUCCESSOR AGENCY") AUTHORIZING THE CHAIRMAN
TO EXECUTE A SECOND AMENDMENT TO THE AGREEMENT
FOR LEGAL SERVICES BETWEEN THE SUCCESSOR AGENCY,
COMMUNITY DEVELOPMENT COMMISSION - HOUSING AUTHORITY OF
THE CITY OF NATIONAL CITY, AND KANE BALLMER & BERKMAN
PERTAINING TO REDEVELOPMENT AND HOUSING AUTHORITY
MATTERS TO INCREASE THE NOT TO EXCEED AMOUNT
BY \$43,000 FOR A TOTAL AMOUNT OF \$93,000

WHEREAS, the Successor Agency, the Community Development Commission—Housing Authority of the City of National City ("CDC-HA"), and Kane Ballmer & Berkman entered into an Agreement for legal services on February 1, 2011, (the "Agreement") for the not to exceed amount of \$25,000 wherein Kane Ballmer & Berkman agreed to provide as-needed professional legal services pertaining to redevelopment and housing authority matters subject to the terms and conditions of the Agreement; and

WHEREAS, the First Amendment to the Agreement entered into on July 3, 2012, increased the not to exceed amount of compensation payable to Kane Ballmer & Berkman by an additional \$25,000, for a total not to exceed amount of \$50,000; and

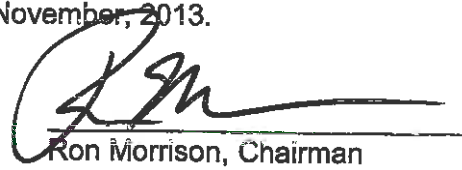
WHEREAS, the parties desire to amend the Agreement to increase the not-to-exceed amount of the Agreement by \$43,000, for a total not-to-exceed amount of \$93,000; and

WHEREAS, the services related to matters of the Successor Agency under this Second Amendment are included on the Successor Agency's Recognized Obligation Payment Schedule, and will require the approval of the Oversight Board to the Successor Agency and the California Department of Finance prior to being effective as to the Successor Agency.

NOW, THEREFORE, BE IT RESOLVED, that the Successor Agency to the Community Development Commission as the National City Redevelopment Agency hereby authorizes the Chairman to execute the Second Amendment to the Agreement for legal services with Kane Ballmer & Berkman, and to increase the not to exceed amount by \$43,000, for a total Agreement amount of \$93,000.

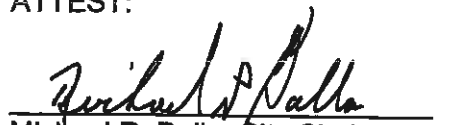
[SIGNATURE PAGE TO FOLLOW]

PASSED and ADOPTED this 5th day of November, 2013.



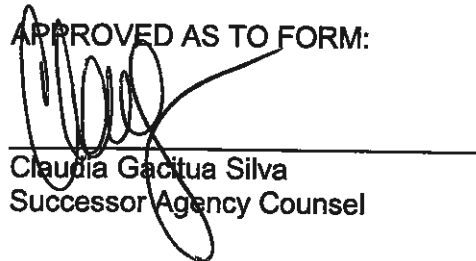
Ron Morrison, Chairman

ATTEST:



Michael R. Dalla, City Clerk as
Secretary to the Successor Agency

APPROVED AS TO FORM:



Claudia Gacitua Silva
Successor Agency Counsel

Passed and adopted by the Successor Agency to the Community Development Commission as the Redevelopment Agency of the City of National City, California, on December 3, 2013 by the following vote, to-wit:

Ayes: Boardmembers Cano, Morrison, Natividad, Rios, Sotelo-Solis.

Nays: None.

Absent: None.

Abstain: None.

AUTHENTICATED BY: RON MORRISON
Chairman of the Successor Agency to the
Community Development Commission
as the Redevelopment Agency of the
City of National City, California

MICHAEL R. DALLA
City Clerk Serving as Secretary
to the Successor Agency

By: _____
Deputy

I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of RESOLUTION NO. 2013-41 of the Successor Agency to the Community Development Commission as the Redevelopment Agency of the City of National City, California, passed and adopted on December 3, 2013.



Michael R. Dalla
City Clerk Serving as Secretary
to the Successor Agency

By: _____
Deputy

RESOLUTION NO. 2013 – 11

RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY
TO THE COMMUNITY DEVELOPMENT COMMISSION AS
THE NATIONAL CITY REDEVELOPMENT AGENCY
("SUCCESSOR AGENCY") APPROVING THE
SECOND AMENDMENT TO THE AGREEMENT
FOR LEGAL SERVICES BETWEEN THE SUCCESSOR AGENCY,
COMMUNITY DEVELOPMENT COMMISSION - HOUSING AUTHORITY OF
THE CITY OF CITY OF NATIONAL CITY, AND KANE BALLMER & BERKMAN
PERTAINING TO REDEVELOPMENT AND HOUSING AUTHORITY
MATTERS TO INCREASE THE NOT TO EXCEED AMOUNT
BY \$43,000 FOR A TOTAL AMOUNT OF \$93,000

WHEREAS, the Successor Agency, the Community Development Commission—Housing Authority of the City of National City ("CDC-HA"), and Kane Ballmer & Berkman entered into an Agreement for legal services on February 1, 2011, (the "Agreement") for the not to exceed amount of \$25,000 wherein Kane Ballmer & Berkman agreed to provide as-needed professional legal services pertaining to redevelopment and housing authority matters subject to the terms and conditions of the Agreement; and

WHEREAS, the First Amendment to the Agreement entered into on July 3, 2012, increased the not to exceed amount of compensation payable to Kane Ballmer & Berkman by an additional \$25,000, for a total not to exceed amount of \$50,000; and

WHEREAS, the parties desire to amend the Agreement to increase the not-to-exceed amount of the Agreement by \$43,000, for a total not-to-exceed amount of \$93,000; and

WHEREAS, the services related to matters of the Successor Agency under this Second Amendment are included on the Successor Agency's Recognized Obligation Payment Schedule, and will require the approval of the Oversight Board to the Successor Agency and the California Department of Finance prior to being effective as to the Successor Agency.

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency hereby approves the Second Amendment to the agreement for legal services between the Successor Agency, Community Development Commission – Housing Authority of the City of National City, and Kane Ballmer & Berkman pertaining to Redevelopment and Housing Authority Matters to increase the not to exceed amount by \$43,000 for a total amount of \$93,000.

BE IT FURTHER RESOLVED that notice of this Resolution shall be transmitted to the California Department of Finance by electronic means, and shall take effect at the time provided in California Health and Safety Code section 34179, subdivision (h); and

BE IT FURTHER RESOLVED that the Oversight Board Secretary and/or Successor Agency Secretary shall certify to the adoption of this Resolution.

Resolution No. 2013 – 11
Page Two
December 18, 2013

The foregoing resolution was duly and regularly PASSED and ADOPTED at the regular meeting of the Oversight Board of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency on the 18th day of December, 2013, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Ron Morrison, Chairman

ATTEST:

Brad Raulston, Executive Director
Secretary to the Oversight Board

APPROVED AS TO FORM:

Edward Z. Kotkin
Law Offices of Edward Z. Kotkin
Oversight Board Counsel

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO
THE COMMUNITY DEVELOPMENT COMMISSION
AS THE NATIONAL CITY REDEVELOPMENT AGENCY
AGENDA STATEMENT**

MEETING DATE: December 18, 2013

AGENDA ITEM NO. 4

ITEM TITLE: Update to on Redevelopment issues

PREPARED BY: Brad Raulston

DEPARTMENT: Successor Agency

PHONE: Ext. 4256

APPROVED BY: 

EXPLANATION:

Report to Council regarding:
State of California - Asset Transfer Review Report (1/1/11 – 1/31/12)
Letter from DOF- ROPS 13-14B
Discussions regarding LMHIF demand letter
Property Management Plan status report

FINANCIAL STATEMENT:

ACCOUNT NO.

N/A

APPROVED: _____ **Finance**

APPROVED: _____ **MIS**

ENVIRONMENTAL REVIEW:

N/A

ORDINANCE: ☐ **INTRODUCTION:** ☐ **FINAL ADOPTION:** ☐

STAFF RECOMMENDATION:

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

1. State of California - Asset Transfer Review Report dated Jan 1, 2011 – Jan 31, 2012
2. DOF Letter – ROPS 13-14B dated Nov 8, 2013

COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY

ASSET TRANSFER REVIEW

Review Report

January 1, 2011, through January 31, 2012



JOHN CHIANG
California State Controller

November 2013



JOHN CHIANG
California State Controller

November 12, 2013

Leslie Deese, City Manager
National City Redevelopment/Successor Agency
City Hall, 1243 National City Boulevard
National City, CA 91950

Dear Ms. Deese:

Pursuant to Health and Safety Code section 34167.5, the State Controller's Office (SCO) reviewed all asset transfers made by the Community Development Commission, as the National City Redevelopment Agency (RDA), to the City of National City (City) or any other public agency after January 1, 2011. This statutory provision states, "The Legislature hereby finds that a transfer of assets by a redevelopment agency during the period covered in this section is deemed not to be in furtherance of the Community Redevelopment Law and is thereby unauthorized." Therefore, our review included an assessment of whether each asset transfer was allowable and whether it should be turned over to the Successor Agency.

Our review applied to all assets including, but not limited to, real and personal property, cash funds, accounts receivable, deeds of trust and mortgages, contract rights, and rights to payment of any kind. We also reviewed and determined whether any unallowable transfers of assets to the City or any other public agencies have been reversed.

Our review found that the RDA transferred \$70,736,106 in assets after January 1, 2011, including unallowable transfer of assets to the housing entity totaling \$8,166,792, or 11.55%, that must be turned over to the Successor Agency.

However, on September 25, 2013, the Oversight Board approved the transfer of housing assets to the entity assuming the housing functions. Therefore no further action is needed.

If you have any questions, please contact Steven Mar, Bureau Chief, Local Government Audits Bureau by phone at (916) 324-7226.

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

JVB/kw

Attachment

cc: Ron Morrison, Oversight Board Chair
National City Redevelopment/Successor Agency
Tracy M. Sandoval, Auditor-Controller
County of San Diego
David Botelho, Program Budget Manager
California Department of Finance
Richard J. Chivaro, Chief Legal Counsel
State Controller's Office
Steven Mar, Bureau Chief
Division of Audits, State Controller's Office
Betty Moya, Audit Manager
Division of Audits, State Controller's Office
Matthew Rios, Auditor-in-Charge
Division of Audits, State Controller's Office
Nesha Neycheva, Auditor
Division of Audits, State Controller's Office

Contents

Review Report

Summary	1
Background	1
Objective, Scope, and Methodology	2
Conclusion	2
Views of Responsible Official	2
Restricted Use	3
Finding and Order of the Controller	4
Schedule 1—Unallowable RDA Asset Transfers to the Entity Assuming the Housing Functions.....	6
Attachment—National City’s Response to Draft Review Report	

Asset Transfer Review Report

Summary

The State Controller's Office (SCO) reviewed the asset transfers made by the Community Development Commission, as the National City Redevelopment Agency (RDA), after January 1, 2011. Our review included, but was not limited to, real and personal property, cash funds, accounts receivable, deeds of trust and mortgages, contract rights, and rights to payments of any kind from any source.

Our review found that the RDA transferred \$70,736,106 in assets after January 1, 2011, including unallowable transfer of assets to the housing entity totaling \$8,166,792, or 11.55%, that must be turned over to the Successor Agency.

However, on September 25, 2013, the Oversight Board approved the transfer of housing assets to the entity assuming the housing functions. Therefore no further action is needed.

Background

In January of 2011, the Governor of the State of California proposed statewide elimination of redevelopment agencies (RDAs) beginning with the fiscal year (FY) 2011-12 State budget. The Governor's proposal was incorporated into Assembly Bill 26 (ABX1 26, Chapter 5, Statutes of 2011, First Extraordinary Session), which was passed by the Legislature, and signed into law by the Governor on June 28, 2011.

ABX1 26 prohibited RDAs from engaging in new business, established mechanisms and timelines for dissolution of the RDAs, and created RDA Successor Agencies to oversee dissolution of the RDAs and redistribution of RDA assets.

A California Supreme Court decision on December 28, 2011 (*California Redevelopment Association et al. v. Matosantos*), upheld ABX1 26 and the Legislature's constitutional authority to dissolve the RDAs.

ABX1 26 was codified in the Health and Safety Code (H&S Code) beginning with section 34161.

In accordance with the requirements of H&S Code section 34167.5, the State Controller is required to review the activities of RDAs, "to determine whether an asset transfer has occurred after January 1, 2011, between the city or county, or city and county that created a redevelopment agency, or any other public agency, and the redevelopment agency," and the date on which the RDA ceases to operate, or January 31, 2012, whichever is earlier.

The SCO has identified transfers of assets that occurred after January 1, 2011, between the RDA, the City of National City, and/or other public agencies. By law, the SCO is required to order that such assets, except those that already had been committed to a third party prior to June 28, 2011, the effective date of ABX1 26, be turned over to the Successor Agency. In addition, the SCO may file a legal order to ensure compliance with this order.

Objective, Scope, and Methodology

Our review objective was to determine whether asset transfers that occurred after January 1, 2011, and the date upon which the RDA ceased to operate, or January 31, 2012, whichever was earlier, between the city or county, or city and county that created an RDA, or any other public agency, and the RDA, were appropriate.

We performed the following procedures:

- Interviewed Successor Agency personnel to gain an understanding of the Successor Agency operations and procedures.
- Reviewed meeting minutes, resolutions, and ordinances of the RDA, the City, City Council of National City, and the entity assuming the housing functions.
- Reviewed accounting records relating to the recording of assets.
- Verified the accuracy of the Asset Transfer Assessment Form. This form was sent to all former RDAs to provide a list of all assets transferred between January 1, 2011, and January 31, 2012.
- Reviewed applicable financial reports to verify assets (capital, cash, property, etc.).

Conclusion

Our review found that the RDA transferred \$70,736,106 in assets after January 1, 2011, including unallowable transfer of assets to the housing entity totaling \$8,166,792, or 11.55%, that must be turned over to the Successor Agency.

However, on September 25, 2013, the Oversight Board approved the transfer of housing assets to the entity assuming the housing functions. Therefore, no further action is needed.

Details of our finding are in the Finding and Order of the Controller section of this report.

Views of Responsible Official

We issued a draft review report on August 27, 2013. Leslie Deese, City Manager, responded by letter dated September 12, 2013, disagreeing with the review results. The City's response is included in this final review report.

Restricted Use

This report is solely for the information and use of the Community Development Commission as the National City Redevelopment Agency, the City of National City, the entity assuming the housing functions, and the SCO; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record when issued final.

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

November 12, 2013

Finding and Order of the Controller

FINDING— Unallowable asset transfers to the entity assuming the housing functions

The Community Development Commission, as the National City Redevelopment Agency (RDA), made unallowable transfers of housing assets totaling \$8,166,792, to the entity assuming the housing functions. The asset transfers occurred during the period of January 1, 2011, through January 31, 2012, and the assets were not contractually committed to a third party prior to June 28, 2011.

On February 1, 2012, the RDA transferred housing assets of \$39,142 in accounts receivable, \$7,767,650 in loans receivable, and \$360,000 in land held for resale to the entity assuming the housing functions.

Pursuant to Health and Safety (H&S) Code section 34167.5, the RDA may not transfer assets to a city, county, city and county, or any other public agency after January 1, 2011. Those assets should be turned over to the Successor Agency for disposition in accordance with H&S Code section 34177 (d) and (e).

H&S Code section 34175(b) states that all assets, properties, contracts, leases, books and records, buildings, and equipment of the former RDA are transferred on February 1, 2012, to the control of the Successor Agency, for administration pursuant to the provisions of this part. This includes all cash or cash equivalents and amounts owed to the RDA as of February 1, 2012. Pursuant to H&S Code section 34175(b), the RDA was required to transfer all assets, including housing assets, to the Successor Agency.

H&S Code section 34177(e) states that the “Successor Agency is to dispose of all former RDA assets “. . . as directed by the oversight board. . .” Also, pursuant to H&S Code section 34177(g) the Successor Agency is to “effectuate transfer of housing functions and assets to the appropriate entity designated pursuant to Section 34176.” However, H&S Code section 34181(c) requires the Oversight Board to direct the Successor Agency to transfer housing assets to the appropriate entity pursuant to Section 34176.

Order of the Controller

Based on H&S Code section 34167.5, the entity assuming the housing functions is ordered to reverse the transfer of the assets in the amount of \$8,166,792, and turn over the assets to the Successor Agency. The Successor Agency is directed to properly dispose of those assets in accordance with H&S Code sections 34177(d) and (e) and 34181(c).

City’s Response

The National City Successor Agency contends that no unallowable transfers were made during the January 1, 2011 to January 31, 2012 time period, and in fact, the reference transfers shown on February 1, 2012 were in compliance with the RDA dissolution legislation.

Further, the Successor Agency states that it “inadvertently overlooked the requirements of Health & Safety Code Section 34181(c). . . .”

In addition, after the Successor Agency submitted the Housing Asset Transfer List to the Department of Finance, it states that “the DOF did not object to any of the asset transfers identified on the form.”

The Successor Agency describes how transferring the assets to a separate fund associated with the Housing Authority would be simpler and cleaner in its general ledger than doing a two-step process of moving assets into a Successor Agency fund and then to the Housing Authority fund. In addition, the Successor Agency intends to bring this matter to the Oversight Board and request ratification of the transfer to the Housing Authority.

See Attachment for details of the City’s response.

SCO’s Response

The SCO disagrees with the City that no unallowable transfers were made during January 1, 2011, to January 31, 2012. However, subsequent to the City’s response, the Oversight Board approved the transfer of housing assets to the entity assuming the housing functions.

The City sent a copy of Resolution 2013-09, dated September 25, 2013, whereby the Successor Agency Oversight Board approved and ratified the transfer of the housing functions, assets, and obligations from the Successor Agency to the entity assuming the housing functions.

Note that the Department of Finance (DOF) must approve the Oversight Board’s decision in this matter. If the DOF does not approve this decision, then the City is ordered to transfer the assets to the Successor Agency pursuant to H&S Code section 34167.5.

**Schedule 1—
RDA Asset Transfers to
the Entity Assuming the Housing Functions
January 1, 2011, through January 31, 2012**

Unallowable transfers to the entity assuming housing functions:

Accounts receivable	\$ 39,142
Loans receivable	7,767,650
Land held for resale	<u>360,000</u>

Total unallowable transfers to the entity assuming housing functions	8,166,792
Less Oversight Board approval on September 25, 2013	<u>(8,166,792)</u>

Total Transfers Subject to Health and Safety Code section 34167.5	<u>\$ —</u>
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**Attachment—
National City's Response to
Draft Review Report**



September 12, 2013

Steven Mar, Chief
Local Government Audits Bureau
State Controller's Office
Division of Audits
Post Office Box 942850
Sacramento, CA 94250-5874

Dear Mr. Mar,

This letter is in response to your request for comments on the letter and accompanying "Asset Transfer Review" dated August 27, 2013 and received by our office on September 3, 2013.

The Asset Transfer Review concluded that the National City Redevelopment Agency made unallowable transfers of assets to the entity assuming the housing functions totaling \$8,166,792 between January 1, 2011 and January 31, 2012. The report goes on to say that these transfers occurred on February 1, 2012, which is one day after the time period cited and the first day of existence for the Successor Agency. The National City Successor Agency contends that no unallowable transfers were made during the January 1, 2011 to January 31, 2012 time period, and in fact, the referenced transfers shown on February 1, 2012 were in compliance with the RDA dissolution legislation. Further, it appears that the Controller's Office relied solely on reports from the Agency's general ledger to reach the conclusion that an unallowable transfer occurred. Unfortunately, the general ledger does not tell the complete story and appears instead to have caused unintentional confusion.

The National City Successor Agency took action pursuant to HSC sections 34176(a) (1) and (2) and 34177(g), but inadvertently overlooked the requirements of Health & Safety Code section 34181(c), which calls for the Oversight Board to direct the Successor Agency to transfer housing assets to the appropriate entity. On June 19, 2012 the Successor Agency approved actions to effectuate the transfer of housing functions, assets and obligations of the Successor Agency to the Housing Authority of the City of National City. The Housing Asset Transfer List was prepared using the form prescribed by the Department of Finance (DOF) and submitted to the DOF on July 31, 2012. In a letter dated September 11, 2012, the DOF did not object to any of the asset transfers identified on the form. Thereafter, the assets were deemed to be transferred.

Both of these documents were provided to the Controller's Office as part of the Asset Transfer Review.

As the City worked through the complexities of the mid-fiscal year dissolution of the RDA, decisions were made upon the advice of the City's outside auditor about how to transition the assets and liabilities as shown in the general ledger from the RDA to the Successor Agency and the Housing Authority. New funds and accounts had to be created and old ones closed out, which could not happen overnight, and many ledger entries had to be reviewed and reclassified to the new funds in the process. It was determined that even though the transfer of the housing assets was completed in September 2012 (as described above), it would be simpler and cleaner in the general ledger to reflect the housing assets in a separate fund associated with the Housing Authority as of February 1, 2012 to coincide with the commencement date of the Successor Agency rather than doing a two-step process of moving them into a Successor Agency fund and then to the Housing Authority fund. Further, the language in HSC section 34176 (a) (1) seemed to support that decision: the City had elected to retain and perform the housing functions of the RDA and therefore the housing assets "shall be transferred to the city."

The National City Successor Agency believes that the intent of the RDA dissolution legislation has been met, and therefore no reversal of the transfer is required. The Successor Agency will, however, bring this matter to the Oversight Board's attention and request ratification of the transfer of the specified housing assets to the Housing Authority.

Sincerely,



Leslie Deese
City Manager

cc: Mayor/City Councilmembers
Claudia Silva, City Attorney
Brad Raulston, Executive Director
Janel Pehau

**State Controller's Office
Division of Audits
Post Office Box 942850
Sacramento, CA 94250-5874**

<http://www.sco.ca.gov>



**DEPARTMENT OF
FINANCE**

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

November 8, 2013

Mr. Brad Raulston, Executive Director
National City
1243 National City Boulevard
National City, CA 91950

Dear Mr. Raulston:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the National City Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 13-14B) to the California Department of Finance (Finance) on September 26, 2013 for the period of January through June 2014. Finance has completed its review of your ROPS 13-14B, which may have included obtaining clarification for various items.

HSC section 34171 (d) defines enforceable obligations. Based on a sample of line items reviewed and application of the law, the following do not qualify as enforceable obligations for the reasons specified:

- Item No. 65 – Aquatic Center Improvements in the amount of \$2,137,561 funded with bond proceeds is not an enforceable obligation at this time. Pursuant to HSC section 34191.4 (c), your request to use bond funds for these obligations may be allowable once the Agency receives a Finding of Completion from Finance.
- Item Nos. 86 – Loans totaling 420,000 from Sewer Fund. HSC section 34171 (d) (2) states that agreements, contracts, or arrangements between the city that created the redevelopment agency (RDA) and the former RDA are not enforceable, unless issued within two years of the RDA's creation date or for issuance of indebtedness to third-party investors or bondholders. This loan was issued after the first two years of the former RDA's creation and is not associated with the issuance of debt. Therefore, this item is not an enforceable obligation and not eligible for Redevelopment Property Tax Trust Funds (RPTTF).

Upon receiving a Finding of Completion from Finance, and after the oversight board makes a finding the loan was for legitimate redevelopment purposes, HSC section 34191.4 (b) may cause this item to be enforceable in future ROPS periods.

- Item No. 99 – Community Youth Athletic Center v. Community Development Commission Litigation in the amount of \$2,000,000. HSC section 34171 (d) defines enforceable obligations and does not recognize reserves set aside as enforceable obligations other than for bond indebtedness. As the Agency appealed the decision and

a final decision has not been entered by the court as required by HSC section 34171 (d) (1) (D), pending court rulings do not meet the definition of an enforceable obligation. Therefore, the \$2,000,000 requested for reserve balances is not enforceable and not eligible for funding at this time. Once a final decision has been entered by the court, the Agency may request the necessary funding for this item in the appropriate ROPS period.

Pursuant to HSC Section 34186 (a), successor agencies were required to report on the ROPS 13-14B form the estimated obligations and actual payments (prior period adjustments) associated with the January through June 2013 period. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by successor agencies are subject to audit by the county auditor-controller (CAC) and the State Controller. The amount of RPTTF approved in the below table includes the prior period adjustment resulting from the CAC's audit of the Agency's self-reported prior period adjustment.

Except for the items denied in whole or in part as enforceable obligations, Finance is not objecting to the remaining items listed on your ROPS 13-14B. If you disagree with the determination with respect to any items on your ROPS 13-14B, you may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available at Finance's website below:

http://www.dof.ca.gov/redevelopment/meet_and_confer/

The Agency's maximum approved RPTTF distribution for the reporting period is \$7,155,513 as summarized on next page:

Approved RPTTF Distribution Amount For the period of January through June 2014	
Total RPTTF requested for non-administrative obligations	9,527,938
Total RPTTF requested for administrative obligations	506,989
Total RPTTF requested for obligations	\$ 10,034,927
Total RPTTF requested for non-administrative obligations	9,527,938
Denied Items	
Item No. 86	(420,000)
Item No. 99	(2,000,000)
Total RPTTF approved for non-administrative obligations	7,107,938
Total RPTTF requested for administrative obligations	506,989
Total RPTTF allowable for administrative obligations (see Admin Cost Cap table below)	377,431
Total RPTTF approved for obligations	7,485,369
ROPS III prior period adjustment	(329,856)
Total RPTTF approved for distribution	\$ 7,155,513
Administrative Cost Cap Calculation	
Total RPTTF for 13-14A (July through December 2013)	7,371,242
Total RPTTF for 13-14B (January through June 2014)	7,107,938
Less approved unfunded obligations from prior periods	(1,898,158)
Total RPTTF for fiscal year 2013-14	\$ 12,581,022
Allowable administrative cost for fiscal year 2013-14 (Greater of 3% or \$250,000)	377,431
Administrative allowance for 13-14A (July through December 2013)	0
Allowable RPTTF distribution for administrative cost for ROPS 13-14B	\$ 377,431

Pursuant to HSC section 34177 (l) (1) (E), agencies are required to use all available funding sources prior to RPTTF for payment of enforceable obligations. Beginning with the ROPS 13-14B period, Finance required successor agencies to identify fund balances for various types of funds in its possession. During our ROPS 13-14B review, Finance requested financial records to support the fund balances reported by the Agency; however, Finance was unable to reconcile the financial records to the amounts reported. As a result, Finance will continue to work with the Agency after the ROPS 13-14B review period to properly identify the Agency's fund balances. If it is determined the Agency possesses fund balances that are available to pay approved obligations, the Agency should request the use of these fund balances prior to requesting RPTTF in ROPS 14-15A.

Please refer to the ROPS 13-14B schedule that was used to calculate the approved RPTTF amount:

[http://www.dof.ca.gov/redevelopment/ROPS/ROPS 13-14B Forms by Successor Agency/](http://www.dof.ca.gov/redevelopment/ROPS/ROPS%2013-14B%20Forms%20by%20Successor%20Agency/)

Absent a Meet and Confer, this is Finance's final determination related to the enforceable obligations reported on your ROPS for January 1 through June 30, 2014. This determination

applies only to items where funding was requested for the six month period. Finance's determination is effective for this time period only and should not be conclusively relied upon for future periods. All items listed on a future ROPS are subject to a subsequent review and may be denied even if it was or was not denied on this ROPS or a preceding ROPS. The only exception is for those items that have received a Final and Conclusive determination from Finance pursuant to HSC 34177.5 (i). Finance's review of items that have received a Final and Conclusive determination is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment that was available prior to enactment of ABx1 26 and AB 1484. This amount is not and never was an unlimited funding source. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the successor agency in the RPTTF.

To the extent proceeds from bonds issued after December 31, 2010 exist and are not encumbered by an enforceable obligation pursuant to HSC section 34171 (d), HSC section 34191.4 (c)(2)(B) requires these proceeds be used to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.

Please direct inquiries to Wendy Griffe, Supervisor or Jenny DeAngelis, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Assistant Program Budget Manager

cc: Ms. Denise Davis, Executive Secretary, National City
Mr. Jon Baker, Senior Auditor and Controller Manager, San Diego County
California State Controller's Office